



General Assembly

February Session, 2014

***Raised Bill No. 5257***

LCO No. 1147



Referred to Committee on LABOR AND PUBLIC  
EMPLOYEES

Introduced by:  
(LAB)

***AN ACT CONCERNING HOSPITAL EMPLOYEES AND HOSPITAL  
CONVERSIONS.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) As used in this section  
2 and section 2 of this act:

3 (1) "Affected community" means the city or town in which a  
4 nonprofit hospital is located and the cities or towns whose inhabitants  
5 are regularly served by a nonprofit hospital;

6 (2) "Conversion" means any transfer by a person or persons of the  
7 assets or operation of a nonprofit hospital to a person or persons that is  
8 organized or operated for profit, that results in (A) a change in the  
9 ownership, control or possession of not less than twenty per cent of (i)  
10 the voting rights or interests in the nonprofit hospital, or (ii) the assets  
11 of the nonprofit hospital; (B) a person previously unaffiliated with the  
12 nonprofit hospital possessing not less than ten per cent of (i) the voting  
13 rights or interests in the nonprofit hospital, or (ii) the assets of the  
14 nonprofit hospital; or (C) the removal, addition or substitution of a

15 person holding an ownership or membership interest in the nonprofit  
16 hospital that results in a previously unaffiliated person gaining or  
17 acquiring a controlling interest or controlling vote in the nonprofit  
18 hospital;

19 (3) "Nonprofit hospital" has the same meaning as provided in  
20 section 19a-486 of the general statutes;

21 (4) "Person" means any individual, trust or estate, firm, partnership,  
22 corporation, limited liability company or other entity, including the  
23 state and any political subdivision thereof; and

24 (5) "Transfer" has the same meaning as provided in section 19a-486  
25 of the general statutes.

26 (b) Prior to undergoing a conversion, the nonprofit hospital and the  
27 person or persons seeking the assets or operation or a change in  
28 control of operations of the nonprofit hospital shall enter into a written  
29 memorandum of understanding to preserve community benefits in the  
30 affected community. The memorandum of understanding shall require  
31 the person or persons seeking the assets or operation or a change in  
32 control of operations of the nonprofit hospital to: (1) Maintain the  
33 current rates of pay and current benefits of all employees employed at  
34 the nonprofit hospital at the time of conversion; (2) recognize any labor  
35 organizations representing employees employed at the nonprofit  
36 hospital at the time of conversion; (3) honor any collective bargaining  
37 agreements entered into between a labor organization and the  
38 nonprofit hospital; (4) maintain staffing levels at the time of conversion  
39 for not less than three years following the date the Attorney General  
40 and Commissioner of Public Health have approved the conversion  
41 pursuant to section 19a-486b of the general statutes; and (5) follow best  
42 practices for staffing levels to assure patient care and safety.

43 (c) Prior to undergoing a conversion, the city or town in which the  
44 nonprofit hospital is located shall hold not less than three public  
45 hearings. The public hearings shall be open to all members of the

46 public in the affected community and shall include, but not be limited  
 47 to: (1) A discussion of the conversion and the person or persons  
 48 seeking the assets or operation or a change in control of operations of  
 49 the nonprofit hospital; (2) a summary of the potential impact of the  
 50 proposed conversion on employment at the nonprofit hospital; and (3)  
 51 an opportunity to question representatives of the nonprofit hospital  
 52 and the person or persons seeking the assets or operation or a change  
 53 in control of operations of the nonprofit hospital about any relevant  
 54 concerns. Not less than fourteen days prior to each hearing, notice of  
 55 the time and place of the hearing shall be publicized in one or more  
 56 newspapers of general circulation in the affected community. Each  
 57 public hearing shall take place at least sixty days before a certificate of  
 58 need application is filed with the Department of Public Health  
 59 pursuant to section 19a-486a of the general statutes.

60 Sec. 2. (NEW) (*Effective from passage*) Not later than thirty days after  
 61 undergoing a conversion, the person or persons having acquired  
 62 possession of the assets or operation of the former nonprofit hospital  
 63 shall submit a five-year strategic plan to the Department of Public  
 64 Health and the Labor Department detailing how employment may be  
 65 affected by decisions to grow or reduce health care services at the  
 66 hospital.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section

***LAB***      *Joint Favorable*

***PH***      *Joint Favorable*